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MEMORANDUM

TO: Mayor Leahy and Members of the City Council *EMD*
FROM: Eileen Donoghue, City Manager
DATE: January 12, 2021
SUBJECT: Motion Response – HR Audit Update
C. Elliott – 12/22/20 - Req. City Mgr. Provide A Report Regarding Status Of The HR Audit.

In the past month, significant progress has been made in the process of initiating an audit of the practices, procedures, and protocols of the City's Human Resources Department.

As previously reported to the City Council, the costs associated with responses produced by an initial request for proposals were prohibitive given the City's current budget constraints. Following receipt of these responses, my office revised the RFP to reflect a more limited scope of services, eliminating less critical sections while maintaining the intent expressed by the Council throughout the process. The revised RFP was posted in November and closed on November 30, 2020.

Based on scoring of the proposals received, the City has selected BlumShapiro to conduct the HR audit. A contract with the firm is currently being finalized, and it is expected that the audit will be formally initiated in the coming weeks.

BlumShapiro is a large New England based firm specializing in human resources, accounting, tax, and other advisory services. The firm's HR Advisory Services team, which will oversee the audit, has extensive experience in evaluating HR policies and practices for a broad spectrum of organizations, including government entities and municipalities. BlumShapiro has assembled a six-member "engagement team" comprised of professionals with expertise in human resources and D,E&I initiatives to work with the City and conduct the audit.

BlumShapiro has proposed a multi-phase audit that will take place over the course of an estimated 3-4 months. The audit's first phase will entail a comprehensive review of the City's hiring practices, including outreach and recruitment efforts, with the intention of developing recommendations to modernize current processes to attract qualified and diverse applicants. The audit's second phase will assess current diversity, equity and inclusion activities and identify opportunities for improved policies and practices. The firm will then develop and deliver a training for all City employees based on its findings that will seek to promote understanding and best practices with regards for D,E&I in the workplace. The process will culminate with the preparation of a

report detailing BlumShapiro's methodology, data collected, analysis of findings and recommendations. This report will be provided to the City Council once it is produced.

The total fee for all consulting services, material, travel and other costs related to the audit is \$55,000. As authorized by the City Council on December 22, 2020, an equal amount has been transferred from the City Manager's Contingency Fund into the HR budget account for professional services to fund the audit.

The Greater Lowell Community Foundation (GLCF) has expressed an interest in supporting the HR audit. Pending approval of the organization's board, the GLCF may be able to contribute funding to help offset the cost of the audit to the City.

Given the quality and of the BlumShapiro's proposal, we believe that this process will be of great value to the City's efforts to recruit and retain a talented and diverse workforce and will provide a meaningful roadmap to enhance initiatives around diversity, equity and inclusion. I will continue to keep the Council apprised of any updates related to the audit.